

## 2025 Board President and CEO / General Manager's Report

Dear Member-Owners,

It's the time of year again that we will have our 87<sup>th</sup> Annual Meeting on Wednesday, August 27<sup>th</sup> at 1:00PM at the Brooklyn headquarters, 320 Industrial Dr., Brooklyn, IA. As has been advertised, this will be a Business Only Annual Meeting with all voting members receiving a \$5.00 bill credit and a chance to win one of four grand prizes of \$250.00 bill credits.

On Friday June 27<sup>th</sup>, we had our 3<sup>rd</sup> Member Appreciation Meal that was held in District 2. The Williamsburg Fire Department was gracious enough to let us utilize their beautiful facility for this event. We had the grill going with hamburgers and hot dogs provided by Brother's Market right in Williamsburg. We also had the Williamsburg Lion's Club helping us serve food. These events are a wonderful way to show our appreciation for our member-owners while supporting the local community and being involved within our members' districts.

This year, our scholarship committee had 16 total applications from upcoming High School graduates. Once again, they thoroughly read them all and were able to choose 10 regular scholarships and one lineman scholarship to award this year. The recipients were spread across our service territory and were in the following school districts: Belle Plaine, BGM, English Valleys, Green Mountain-Garwin, HLV, Iowa Valley, Keota, Sigourney, South Tama, and Williamsburg.

Our operations department has been busy with our many maintenance programs that help ensure reliability including our pole testing program. We go out for bids for our programs, and we are currently in a three-year agreement with SBS Inspections, Inc. This year they came in and tested our Belle Plaine REC and Tama REC substations. Overall, they tested 3,652 poles and we had a 4.3% reject rate which amounts to 156 poles to change out. They also test the grounding on our system for good maintenance practice, while testing 1,365 grounds and needing to clean, repair, and or replace only 134 of them to keep our multi grounded system in proper order. This year, we are also focusing on moving some lines out of the private right-of-way and relocating them into the public right-of-way. Bringing them closer to the roadway enables easier maintenance and outage restoration. This also can help with having less vegetation management costs.

Speaking on costs, we are constantly looking at ways to change maintenance programs to create cost savings without jeopardizing any reliability. This is a "what have we done in the past and how can we make it better in the future," type approach. This is not letting a program continue just because this is the way we have always done it. In the past, I have spoken about rising costs in our industry and they are not getting any better. It is a very capital-intensive industry, and those costs are not coming down. The only positive outcome is that the lead times are starting to get better on some materials we use but unfortunately vehicles are still many years out for which we must budget.

As I said in my last quarterly newsletter update in August, we have finished our revenue requirement study and our cost-of-service study. We are currently in the rate design process, and we continue to look at the differences between demand and energy in our power bill that we receive for the system. Demand is the rate at which electricity is used at a specific moment, measured in kilowatts (kW), this can be compared to a car's speedometer. Energy or consumption is the total amount of electricity used over a period of time, measured in kilowatt-hours (kWh), similar to a car's odometer. High demand requires utilities to be prepared to supply that power, leading to higher infrastructure costs and, consequently, higher demand charges on the bill. Spreading your electrical usage throughout the day helps lower demand.

As a member-owner of T.I.P. Rural Electric Cooperative, we are here for you and remain committed to our mission of striving to provide safe, reliable electricity at a competitive cost and will pursue excellence in technology, service and member relations, for the benefit of our members and the communities we serve.

*Jerry Henning, Board President*

*Scott Long, General Manager*